

THE EFFECT OF PROMOTION AND PRODUCT FEATURE ON CUSTOMER LOYALTY (STUDY AT ONE OF KNITTING COMPANIES IN BANDUNG CITY)

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Abstract

Researchers studied to determine the effect of promotions and product features on customer loyalty at a knitting company in the city of Bandung. Moreover, this research analyzes the factors that have the most dominant influence between promotions and product features on customer loyalty at a knitting company in the city of Bandung, which is the object of this study for as many as 100 customers using a questionnaire. Based on research using flow analysis, the promotion and product feature variables at a knitting company in Bandung are proven significant. The study results show that promotion has a significant effect on customer loyalty, and product features have a significant effect on customer loyalty. Furthermore, the study results indicate that promotions and product features can create loyal customers. Researchers suggest that companies can provide all the rights that can affect promotion variables and product features to provide customer awareness so that customer loyalty does not decrease; on the contrary, it has increased.

Keywords : *promotion, product feature, customer loyalty.*

Abstrak

Peneliti melakukan penelitian dengan tujuan untuk mengetahui pengaruh promosi dan product feature terhadap loyalitas pelanggan pada salah satu perusahaan rajut di Kota Bandung. Dan penelitian ini untuk menganalisis faktor yang paling dominan pengaruhnya antara promosi dan product feature terhadap loyalitas pelanggan pada salah satu perusahaan rajut di Kota Bandung, yang menjadi objek penelitian ini adalah sebanyak 100 orang pelanggan dengan menggunakan kuesioner. Berdasarkan penelitian menggunakan analisis alur, terlihat bahwa variabel promosi dan product feature pada salah satu perusahaan rajut di Kota Bandung terbukti signifikan. Hasil penelitian menunjukkan bahwa promosi memiliki pengaruh yang signifikan terhadap loyalitas pelanggan dan product feature memiliki pengaruh yang signifikan terhadap loyalitas pelanggan. Hasil penelitian mengindikasikan dengan adanya promosi dan product feature dapat menciptakan pelanggan yang loyal. Peneliti menyarankan perusahaan mampu memberikan semua hak yang dapat mempengaruhi variabel promosi dan product feature guna memberikan kesadaran pelanggan agar tingkat loyalitas pelanggan tidak mengalami penurunan, sebaliknya mengalami peningkatan.

Kata kunci : *promosi, product feature, loyalitas pelanggan.*

INTRODUCTION

In the face of increasingly fierce marketing competition, a producer must not fixate on product forms that only offer essential benefits. (Kuncoro & Suriani, 2018; Lee & Falahat, 2019) The current competition differs from what the company produces in the factory in packaging, advertising, consulting for customers, funding, shipping, warehousing, and other necessary things.

With so much competition, business people must know what consumers need, and understand consumers, because consumers are the key to the progress of a business that producers run, so consumers also have protection from the government. (Na, Kang & Jeong, 2019; Quaye & Mensah, 2019; Gareche, Hosseini & Taheri, 2019) If business people understand consumers, business people will have better competitive abilities by designing marketing strategies. Understanding customer needs, wants, and

demands will provide companies with important input in designing marketing strategies to create customer loyalty. (Kurniawan & Sidharta, 2016) People are now starting to think selectively and smartly in choosing a product, so they will get the uses or benefits they want from a product. They do not hesitate to pay more to get the product they need. Intense competition will position marketers to develop and seize market share consistently.

Every business organization has the desire to achieve its goals. These goals can combine profit maximization, increased sales, expansion, growth, product accessibility, product awareness, and customer loyalty. (Almohaimmed, 2019) Profit maximization also serves as the backbone of business objectives. In the same view, the level of profit maximization depends on the level of customer loyalty. Customer loyalty is one of the most critical indicators for a company to do its best. Customer loyalty is directly related to customer loyalty; it proves that loyalty can measure through loyalty. (Hegner-Kakar, Richter & Ringle, 2018)

Consumer loyalty is a commitment to a store brand, or supplier based on a very positive attitude and is reflected in consistent repeat purchases. (Chen, Nan & Li, 2018)

Customer loyalty plays a critical role in increasing the number of sales. Customer loyalty expresses intended behavior concerning products or services for the company. Customer loyalty is a customer mindset that holds a favorable attitude towards the company, is committed to repurchasing the company's products or services, and recommends products or services to others. (Srivastava & Rai, 2018).

The dimensions of customer loyalty used in this study are according to Lu, Ye & Yan (2018) that variables are formed by making regular repeat purchases, buying between product and service lines, referring others, and not having the desire to switch to another product or service of a similar kind.

Promotion is one of the determining factors for the success of a marketing program. Regardless of the quality of a product, if consumers have never heard of it and are not sure that the product will be helpful, they will never buy it. (Gareche, Hosseini & Taheri, 2019) Based on theoretical research findings, the authors reinforce the concept of promotion.

The promotion dimension includes advertising, sales promotion, company-sponsored activities, public relations, face-to-face selling, attracting consumer attention, intermediaries, and personal selling. (Gulliando & Shihab, 2019)

A product feature determines whether consumers feel the company or store can fulfill their needs and wants before other aspects follow suit. So product diversity is an essential factor consumers consider when choosing a store. According to Hoe & Mansori (2018) product features or completeness of products sold can influence consumer considerations in choosing a store.

The better completeness of the products offered creates a positive attitude in the minds of consumers. In the end, consumers will feel satisfied shopping at the store and will most likely return to the store to buy the same product or refer those closest to them to buy the product they need at the store.

The product feature dimensions used are the dimensions put forward by Khoironi, Syah &

Dongoran (2018) including the completeness of the variety of sizes of goods offered, the products offered are daily necessities, the products offered are of high quality, product availability sold, the variety of types available.

Based on the phenomena and empirical studies in the background, the formulation of the problem posed in this study is how much influence promotion and product features have on customer loyalty at a knitting company in the city of Bandung. This study aimed to determine and analyze the influence of promotions and product features on customer loyalty at a knitting company in Bandung.

METHOD

The research method in doing scientific work is necessary because it is a way to collect the required data and can provide an overview to researchers of how the research steps carry out so that these problems can be solved. The research method is a scientific way of obtaining data with specific purposes. It uses a branch of science that discusses or questions ways of conducting research and includes searching, recording,

formulating, analyzing, and compiling reports based on facts.

Based on the variables to be studied, this type of

Table 1. The results of calculating the validity and reliability of the research instrument.

Promotion		Product feature		Loyalty	
Instrument	Correlation	Instrument	Correlation	Instrument	Correlation
1	.579	1	.612	1	.509
2	.562	2	.435	2	.494
3	.452	3	.641	3	.492
4	.395	4	.518	4	.565
5	.551	5	.581	5	.526
6	.628	6	.561	6	.535
7	.464	7	.538	7	.424
8	.382	8	.476	8	.586
9	.538	9	.624	9	.452
10	.385	10	.514	10	.555
11	.631	11	.359	11	.426
12	.668	12	.443	12	.663
13	.486	13	.490	13	.467
14	.383	14	.601	14	.590
15	.384	15	.590	15	.509
Cronbach Alpha	Promotion	0.857	SD	Promotion	6.735
	Product feature	0.876		Product feature	6.689
	Loyalty	0.871		Loyalty	6.604

research is descriptive and verification. Descriptive research aims to provide an overview of the verification research variables. Furthermore, these methods aim to mathematically test conjectures regarding a relationship between the variables of the problem investigated in the hypothesis. Alternatively, in other words, research to test the truth of a hypothesis which in this study will be tested through descriptive and verification research will obtain an overview of the influence of promotions and product features on customer

loyalty at one of the knitting companies in the city of Bandung.

RESULTS AND DISCUSSION

Before data analysis, the researcher tested the validity and reliability shown in Table 1.

Table 1 shows that the entire research instrument was declared valid and reliable because it had a correlation value of > 0.3 and $CA > 0.7$.

Based on the results of the path analysis calculation shows:



Figure 1. Path Analysis Diagram

Based on Figure 1, it can see that the effect of promotion on customer loyalty has a path coefficient (ρ_{yx_1}) with a value of 0.499. On the other hand, for the influence of product features on customer loyalty, it has a path coefficient (ρ_{yx_2}) with a value of 0.424.

The magnitude of the influence simultaneously or together, promotions and product features on customer loyalty with a coefficient (R^2), which is equal to 0.744 or 74.4%, other variables outside the promotion and product completeness to customer loyalty obtained a value of 0.256.

According to Hurriyati (2010:57) Promotion is one of the determining factors for the success of a marketing program. Regardless of the quality of a product, if consumers have never heard of it and are not sure that the product will be helpful, they will never buy it. Based on theoretical research findings, the authors reinforce the concept of promotion.

Several previous studies have existed to discuss the effect of product features on consumer loyalty, namely Hoe & Mansori (2018), which stated that the partial test results showed that product diversity affects consumer loyalty if the needs and desires of consumers automatically consumer loyalty to the company or store will increase formed.

The better completeness of the products offered creates a positive attitude in the minds of consumers. (Khadka & Maharjan, 2017) In the end, consumers will feel satisfied shopping at the store and will most likely return to the store to buy the same product or refer those closest to them to buy the product they need at the store.

As mentioned by Lafley & Martin (2017) a product can be offered to a market that fulfills a need or desire; consumers will see a product based on the product characteristics or characteristics.

Foster & Sidharta (2019) product is the whole of the offer made generally by the company to consumers in providing services, store location, and the name of the merchandise. Consumers will give a good impression of a store if the store can provide goods needed and desired by consumers. Therefore, retailers must be responsive to the needs and desires of consumers. This product feature promotion is closely related to customer loyalty; a company will promote the products it sells according to the goods available at the company, and customers will feel more attracted to companies that have a variety of products needed by customers, with good promotion the customer will know that the product in a company is complete.

CONCLUSION

Based on the research results, the delivery of information is less effective, so it suggests making a more comprehensive range of marketing tools that customers easily understand. In addition, companies must also provide rewards for certain purchases.

It recommends always meeting the number of customer product needs and complementing them with a wider variety of brands. Based on the research results, information obtained that the evaluation of the product obtained exceeded the lowest expected, so it suggests improving product quality according to customer expectations.

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